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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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In the Matter of

AT&T Communications
Tariff F.C.C. Nos. 9 and 11

CC Docket No. 94-120
Transmittal No. 6788

REPLY OF AT&T CORP.

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November 17, 1994

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REPLY OF AT&T CORP.

Pursuant to the Order Designating Issues for Investigation,¹ AT&T Corp. ("AT&T") hereby replies to the comments submitted in response to its Direct Case in connection with the tariff revisions filed in Transmittal No. 6788.²

With the exception of certain issues addressed below, the commenting parties support AT&T's tariff revisions as a "reasonable approach to the transport rate structure changes brought about by the Commission's restructuring of local transport rates."³ Specifically, the comments confirm that

¹ Order by the Chief of the Common Carrier Bureau, DA 94-118 (October 7, 1994), as amended by its further order (October 14, 1994).

² Six parties filed comments in response to AT&T's Direct Case ("Direct Case"): Ameritech; Bell Atlantic; BellSouth Telecommunications, Inc. ("BellSouth"); Pacific Bell ("Pacific"); Southwestern Bell Telephone Company ("SWBT"); and U S WEST Communications, Inc. ("U S WEST").

³ Ameritech, p. 1 (note omitted). See also U S WEST, p. 2 ("Transmittal 6788 is a reasonable means of allowing small FGA customers to interconnect with AT&T's network without purchasing high capacity facilities"); SWBT, p. 1 ("SWBT supports AT&T's view that it should be permitted to resell the flat rated Entrance Facilities and Direct Trunked Transport"); BellSouth, p. 1 ("BellSouth supports the filing by AT&T of tariff provisions enabling AT&T to bill end users which utilize a portion of the access provided by LECs to AT&T").

AT&T's tariff revisions simply operate to resell the LECs' flat-rated portion of Feature Group A and B transport services (Direct Case, p. 3) and, as such, provide customers another option to the "numerous options available to them." SWBT, p. 1. See also BellSouth, p. 1. Nor does the "bundling" of the two resold LEC rate elements for reasons of efficiency and cost-effectiveness constitute an unreasonable practice when the separate components are available from the LECs.⁴ Similarly, the comments acknowledge that "split billing" options are no solution to the predicament imposed upon AT&T by the Commission's approval of the LECs' restructured transport tariffs (Direct Case, pp. 12-15), and in no event should preclude the resale option offered by AT&T in its proposed tariff. SWBT, the only LEC currently offering split billing, flatly agrees that "the split billing issue is irrelevant to the reasonableness of AT&T's efforts to resell portions" of the LECs' transport services.⁵

Bell Atlantic, however, raises two issues that it claims "require AT&T to modify its tariff. . . ." Bell Atlantic, p. 1.⁶ First, Bell Atlantic objects to AT&T's DS1 interface

⁴ Direct Case, pp. 8-9; SWBT, p. 2 ("SWBT also supports AT&T's position that it is acceptable for AT&T to bundle Entrance Facility and Direct Trunked Transport services when re-selling them to end user customers"); U S WEST, p. 2 n.3.

⁵ SWBT, p. 2; Direct Case, Att. 1, pp. 15-17. See also U S WEST, p. 4 ("[s]plit billing is an unsatisfactory alternative to both AT&T and LECs"); BellSouth, p. 7 ("'split billing' should not be required"); Ameritech, p. 2.

⁶ See also SWBT, p. 5 (although "request[ing] that the Commission allow AT&T's transmittal to take effect," asking the Commission "to note corrections to AT&T's argument").

requirement for accepting LEC access traffic at its POPs, asserting that AT&T "has not met its burden of showing why this limitation is reasonable." Id., p. 2. Passing the fact that the tariff under investigation neither contains nor establishes an interface requirement and thus presents no basis for the modification or proof Bell Atlantic seeks,⁷ AT&T's interface conditions are entirely reasonable. As Ameritech notes, this standard "certainly makes sense for AT&T from a business standpoint" because of technological and efficiency considerations. Ameritech, p. 2. Indeed, the very tariff revisions under investigation provide customers "an opportunity to connect to AT&T's POP at high interface levels without purchasing high capacity facilities. . . ." (U S WEST, p. 2), and thus specifically permit connection at AT&T's POP even when a customer's traffic does not otherwise utilize DS1 facilities.

Alternatively, if customers do not wish to use AT&T's connection service, they may obtain their access service directly from the LECs. In that case, it is the LECs' obligation to provide the aggregation function necessary to meet an interexchange carrier's interface requirements, such as in the manner described by BellSouth in its discussion of a billing and collection option for affected customers. See Direct Case, Att.

⁷ AT&T's interface requirement exists independent of the tariff revisions under investigation and applies to all access traffic delivered, not just for Feature Group A and B access.

1, p. 17; BellSouth, pp. 6-7.⁸ In short, AT&T's access interface requirement provides no basis for modification or rejection of the option AT&T proposes by reselling the LECs' Feature Group A and B access services.

Second, Bell Atlantic asks AT&T "to clarify how its tariff prevents . . . double billing" in those instances where Bell Atlantic currently bills the end user customer, rather than AT&T, for the flat-rated portion of certain direct trunked transport.⁹ As an initial matter, the potential for double billing exists only with respect to current Feature Group A or B customers because any new customers will be provisioned differently. But even in those limited circumstances where "double billing" might occur, AT&T will take the necessary steps, in consultation with the LECs, to ensure that no such double billing of an access element results.¹⁰ AT&T thus commits to

⁸ BellSouth claims that "a billing and collection arrangement would best meet the needs of these customers." BellSouth, pp. 4-5. AT&T has no objection to BellSouth, or any other LEC, offering a billing and collection service as another option to customers, but such additional services do not justify any further delay of AT&T's connection service.

⁹ Bell Atlantic, pp. 2-3. See also Ameritech, p. 3 ("direct trunked transport between the DTO and the SWC may be billed directly to the FGA customer"); Pacific, pp. 1-2 ("Pacific is required to bill DTT to the end user and EF to the IXC" when DSO service is ordered on behalf of the end user from an end office to the entrance facility).

¹⁰ In addition, AT&T's commitments to establish and identify separate rates for the two resold LEC access services and to send notices to affected customers provide further protection against any double billing -- the end user would easily detect it. Direct Case, p. 8, Att. 1, pp. 3-5. For all of these reasons, the Commission need not require AT&T to unbundle the two resold access services to avoid double billing. This is especially the
(continued...)

work with the affected LECs to eliminate any multiple charge to the customer, or to provide credit on one bill or the other to guarantee that the customer does not pay twice for the same access service.

For the foregoing reasons, as well as those discussed in AT&T's Direct Case, the tariff revisions filed in Transmittal 6788 are reasonable and fully lawful and should be permitted to take effect without any further delay.

Respectfully submitted,

AT&T Corp.

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¹⁰ (...continued)
case because AT&T cannot efficiently or cost-effectively resell unbundled Entrance Facilities and Direct Trunked Transport services. See Direct Case, pp. 8-9, Att. 1, pp. 9-11.

CERTIFICATE OF SERVICE

I, Hagi Asfaw, do hereby certify that on this 17th day of November, 1994, a copy of the foregoing "Reply of AT&T Corp." was served by U.S. first class mail, postage prepaid, upon the parties listed below.

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